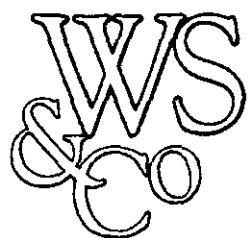


Stone Enterprises Limited
Unaudited abbreviated accounts
for the year ended 31 October 2004



Wilson Sandford & Co

CHARTERED ACCOUNTANTS

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UK200Group

Stone Enterprises Limited

Contents

	Page
Accountants' report	1
Abbreviated balance sheet	2
Notes to the financial statements	3 - 5

Chartered Accountants' Report to the Board of Directors on the Unaudited Financial Statements of Stone Enterprises Limited


In accordance with the engagement letter dated 23 November 2004, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes on pages 3 - 5 from the accounting records and information and explanations you have given to us.

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet for the year ended 31 October 2004 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given us and we do not, therefore, express any opinion on the financial statements.


.....
Wilson Sandford & Co
Chartered Accountants
85 Church Road
Hove
East Sussex

..... 10-2-2005

Date

Stone Enterprises Limited

Abbreviated balance sheet as at 31 October 2004

		2004	2003
	Notes	£	£
Fixed assets			
Tangible assets	2	802,580	808,748
Current assets			
Stocks		33,292	28,843
Debtors		23,747	39,924
		<u>57,039</u>	<u>68,767</u>
Creditors: amounts falling due within one year		<u>(136,318)</u>	<u>(135,811)</u>
Net current (liabilities)		<u>(79,279)</u>	<u>(67,044)</u>
Total assets less current liabilities		<u>723,301</u>	<u>741,704</u>
Creditors: amounts falling due after more than one year		(111,655)	(129,212)
Provisions for liabilities and charges		<u>(1,459)</u>	<u>(1,356)</u>
Net assets		<u>610,187</u>	<u>611,136</u>
Capital and reserves			
Called up share capital	3	47,668	47,668
Revaluation reserve		414,754	418,404
Profit and loss account		147,765	145,064
Shareholders' funds		<u>610,187</u>	<u>611,136</u>

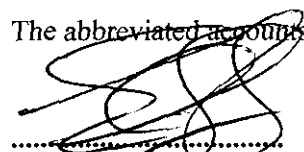
The directors are satisfied that the company was entitled to exemption under subsection (1) of section 249A of the Companies Act 1985 and that members have not required an audit in accordance with subsection (2) of section 249B.

The directors acknowledge their responsibilities for

- (1) ensuring that the company keeps accounting records which comply with Section 221 ; and
- (2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

The abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The abbreviated accounts were approved by the Board on 9-2-05 and signed on its behalf by



E. L. STONE
DIRECTOR

Stone Enterprises Limited

Notes to the abbreviated financial statements for the year ended 31 October 2004

1. Accounting policies

The principal accounting policies adopted in the presentation of the financial statements are set out below and have remained unchanged from the previous period, and also have been consistently applied within the same accounts.

1.1. Basis of preparation of financial statements

The full financial statements were prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2. Turnover

Turnover represents the total value, excluding value added tax, of goods and services provided during the year.

1.3. Tangible fixed assets and depreciation

Depreciation has been computed to write off the cost or valuation of each asset over its expected useful life using the following rates:

Freehold buildings	-	Straight line over 50 years
Plant and machinery	-	15% per annum of net book value
Fixtures, fittings & equipment	-	15% per annum of net book value
Motor vehicles	-	25% per annum of net book value
Computer equipment	-	33.3% per annum of cost

1.4. Stocks

Stocks have been valued at the lower of cost and net realisable value.

1.5. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

1.6. Deferred taxation.

Provision is made in full for all taxation deferred in respect of timing differences between the treatment of certain items for accounts and tax purposes, that have originated but not reversed by the balance sheet date. No provision is made for taxation on permanent differences. Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

Deferred tax is not discounted to reflect the present value of future cashflows.

Stone Enterprises Limited

Notes to the abbreviated financial statements for the year ended 31 October 2004

..... continued

2. Fixed assets

	Tangible fixed assets
Cost/revaluation	
At 1 November 2003	890,251
Additions	4,561
At 31 October 2004	<u>894,812</u>
Depreciation	
At 1 November 2003	81,503
Charge for year	10,729
At 31 October 2004	<u>92,232</u>
Net book values	
At 31 October 2004	<u>802,580</u>
At 31 October 2003	<u>808,748</u>

3. Share capital

	2004	2003
Authorised	£	£
38,000 ordinary A shares of £1 each	38,000	50,000
12,000 ordinary B shares of £1 each	12,000	-
	<u>50,000</u>	<u>50,000</u>
Allotted, called up and fully paid	£	£
36,228 Ordinary A shares of £1 each	36,228	47,668
11,440 Ordinary B Shares of £1 each	11,440	-
	<u>47,668</u>	<u>47,668</u>

On the 22nd October 2004 the company reclassified its authorised £1 ordinary share capital into 38,000 A shares and 12,000 B shares. The A and B shares rank pari pasu in all respects.

Stone Enterprises Limited

**Notes to the abbreviated financial statements
for the year ended 31 October 2004**

..... continued

4. Transactions with directors

- 4.1.** The following directors had interest free loans during the year. The movements on these loans are as follows:

	Amount owing		Maximum in year
	31/10/04	01/11/03	
E. L. Stone	<u>9,119</u>	<u>17,222</u>	<u>22,439</u>

- 4.2.** A waiver of the overdrawn loan account of Mr E L Stone in the sum of £17,222.33 as at April 06 2004 was agreed at a board meeting held on 29 January 2004.

- 4.3.** Creditors includes the following amounts owed to individuals who are directors of the company, on an interest-free and unsecured basis:

	£
E. D. Stone	<u>4,087</u>